2F

Foreign CROPS AND MARKETS

VOLUME 68 NUMBER 6

CORN (Page 79)

CONTENTS

FOR RELEASE

MONDAY

FEBRUARY 8, 1954

UNITED STATES DEPARTMENT OF AGRICULTURE
FOREIGN AGRICULTURAL SERVICE
WASHINGTON 25, D. C.

LATE NEWS

A recently concluded trade agreement between India and Czechoslovakia for 1954 includes cotton and cotton waste among the items to be supplied by India, and woolen and cotton knitted goods among the items to be supplied by Czechoslovakia. No quantities or figures are fixed, the two countries merely being committed to give "adequate facilities to import and export reasonable quantities of the commodities mentioned".

A trade program between the United Kingdom and Finland for 1954 has been announced which calls for the following items to be supplied Finland by the British: cotton yarns, including cotton netting yarn, 950 tons; cotton sewing yarn and handicraft thread, 150 tons; machine felt of cotton, 100 tons; cotton piece goods, including finishing fabrics, £550,000 in value; cotton and rayon small wares (including imitation fur trimmings and elastic braids, webs and fabrics) £25,000.

FOREIGN CROPS AND MARKETS

Published weekly to assist the foreign marketing of U. S. farm products by keeping the nation's agricultural interests informed of current crop and livestock developments abroad, foreign trends in production, prices, supplies and consumption of farm products, and other factors affecting world agricultural trade. Circulation is free to persons in the U.S. needing the information it contains.

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SECOND SURVEY CONFIRMS NEAR-RECORD WORLD CORN CROP

World corn production in 1953-54 is now estimated at 5,715 million bushels, according to information available to the Foreign Agricultural Service. This estimate is 85 million bushels larger than the first forecast (See Foreign Crops and Markets, October 26, 1953) and is second only to the record corn harvest of about 6 billion bushels in 1948-49.

Increases from the earlier forecast, mainly for South America, Africa, and Europe were large enough to leave a moderate net increase after deducting 20 million bushels from the North American total, due to a revision in the United States estimate. The largest single increase is in the forecast for Argentina, where the outlook is now somewhat improved, and the harvest beginning in April may be 210 million bushels or better.

Corn production in North America is now placed at 3,380 million bushels. This compares with 3,482 million bushels last season and the record outturn of 3,860 million bushels in 1948. The United States crop, which is such a large part of world production, is now estimated at 3,177 million bushels, equal to 56 percent of the estimated world total for the current season. Production in Mexico, the second producer of the continent, is placed at 121 million bushels compared with 126 million a year ago.

The continental total for Europe is now placed at 650 million bushels, compared with the small crop of 480 million bushels last year. Increases over that poor 1952 harvest were general but were most pronounced in the Balkans where the corn crop was sharply reduced last season by drought. The largest single gain is indicated for Yugoslavia. Though the current European production is sharply above the small crop last year, it is still not up to the prewar level. Both acreage and yields are less than in the prewar period.

Corn is a relatively small crop in the Soviet Union, averaging for 1945-49 only about 4 percent of the United States harvest. The current outturn appears to be somewhat less than that of the past 2 years because of lower per-acre yields, indicated on the basis of unfavorable conditions in some important producing regions.

Production in Asia is estimated at 700 million bushels, about 5 percent below the large 1952 crop but 13 percent above the prewar average. Acreage is slightly smaller than in 1952 but smaller yields account for the bulk of the reduction from the 1952 crop.

Corn production in Africa is forecast at 310 million bushels, little change from last year's harvest. It is, however, a substantial increase over the prewar average of 255 million bushels. A near-record corn harvest in Egypt, the principal African corn producer of the Northern Hemisphere, offsets reduction in a number of other countries. Increased acreage and some increase in yields account for the increase over the 1952 outturn in Egypt. The outlook for the crop in the Union of South Africa is now more favorable than it was earlier in the season.

CORN: Acreage, yield per acre, and production in specified countries, year of harvest, averages 1935-39, and 1945-49, annual 1951-53 1/

Continent and country	Acreage 2/ Average 1935-39	Acreage 2/ Average 1945-49	Acreage 2/ 1951	Acreage 2/ 1952	Acreage 2/ 1953 4/	Yield per acre 3/ Average 1935-39	Yield per acre 3/ Average 1945-49	Yield per acre 3/ 1951	Yield per acre 3/ 1952	Yield per acre 3/ 1953 4/	Production Average 1935-39	Production Average 1945-49	Production 1951	Production 1952	Production 1953 4/
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Bushels	Bushels	Bushels	Bushels	Bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
NORTH AMERICA															
Canada	172	238	314	339	362	40.8	45.2	50.9	58.2	57.6	7,010	10,755	15,990	19,722	20,854
Guatemala	1,000	1,208	1,340	1,300	-	15.7	14.9	13.4	13.8	-	15,700	17,991	18,000	18,000	20,500
Honduras	5/ 258	-	-	-	-	5/ 14.0	-	-	-	-	3,717	-	7,500	5,100	7,200
Mexico	7,501	8,894	10,940	10,470	12,108	9.0	10.7	12.3	12.0	10.0	67,523	95,389	135,000	126,060	121,250
Nicaragua	5/ 86	174	240	270	252	5/ 17.4	16.0	15.0	14.1	12.7	1,500	2,782	3,600	3,800	3,200
United States	92,699	85,696	80,736	81,099	80,279	25.0	35.7	35.9	40.4	39.6	2,315,554	3,056,861	2,899,169	3,279,403	3,176,615
Cuba	360	433	440	380	-	16.7	16.2	16.1	15.8	-	6,000	7,011	7,100	6,000	-
Estimated total 6/	103,330	98,530	96,050	95,890	96,770	-	-	-	-	-	2,435,000	3,217,000	3,110,000	3,482,000	3,380,000
EUROPE															
Albania	235	242	-	-	-	21.6	20.7	-	-	-	5,067	5,020	-	-	-
Austria	163	152	160	150	160	39.2	25.5	34.4	32.0	36.9	6,384	3,870	5,500	4,800	5,900
Bulgaria	2,035	-	-	-	-	17.5	-	-	-	-	35,657	-	-	-	-
Czechoslovakia	5/ 285	353	-	-	-	5/ 31.6	25.8	-	-	-	5/ 9,000	9,098	-	-	-
France	839	649	863	862	920	26.3	16.2	31.5	22.1	33.6	22,096	10,491	27,180	19,090	30,870
Germany	85	-	-	-	-	47.1	-	-	-	-	4,000	-	-	-	-
Greece	650	582	624	625	645	15.5	14.7	15.8	14.5	18.6	10,078	8,564	9,840	9,060	12,000
Hungary	2,924	-	-	-	-	31.5	-	-	-	-	92,007	-	-	-	-
Italy	3,583	3,250	3,300	3,310	3,350	31.5	28.0	35.8	30.8	37.3	113,000	90,980	118,000	102,000	125,000
Portugal	1,235	1,238	1,130	1,230	1,210	12.1	10.0	15.0	14.6	10.3	15,000	12,368	16,940	17,930	12,410
Rumania	9,870	-	-	-	-	17.4	-	-	-	-	172,000	-	-	-	-
Spain	5/ 1,094	926	990	1,000	1,025	5/ 28.4	21.5	25.9	27.0	25.4	5/ 31,076	19,920	25,600	27,000	26,000
Yugoslavia	6,615	-	-	-	-	26.7	-	-	-	-	176,600	-	-	-	-
Estimated total 6/	29,680	27,820	28,700	28,410	28,760	-	-	-	-	-	695,000	560,000	690,000	480,000	650,000
U.S.S.R. (Europe and Asia)	10,000	7,550	-	-	-	17.0	15.0	-	-	-	170,000	113,000	-	-	-
ASIA															
Turkey	1,098	1,394	1,540	1,586	1,530	20.9	16.1	21.7	20.8	21.7	22,971	22,406	33,460	32,950	33,266
Burma	217	214	-	-	-	7.6	-	-	-	-	1,640	-	-	-	-
China	5/ 12,000	12,711	12,100	12,200	-	5/ 21.8	21.6	20.7	21.3	-	5/ 262,000	274,013	250,000	260,000	-
Manchuria	3,720	6,680	7,500	7,650	-	23.3	19.5	20.7	21.6	-	86,585	130,000	155,000	165,000	-
India 7/	5/ 5,526	7,761	7,960	8,800	8,500	5/ 12.2	10.3	10.0	11.8	-	5/ 67,240	79,836	79,500	104,000	-
Pakistan 7/	5/ 811	986	960	970	1,004	5/ 17.7	16.9	16.7	15.5	16.7	5/ 14,360	16,688	16,000	15,000	16,800
Indochina	1,053	-	-	-	-	21.2	-	-	-	-	22,365	-	-	-	-
Indonesia	5,800	5,500	-	-	-	15.2	15.6	-	-	-	88,000	86,000	-	-	-
Japan	128	133	160	168	173	24.2	21.7	25.1	27.6	22.0	3,094	2,881	4,020	4,630	3,800
Korea	5/ 321	-	-	-	-	5/ 13.0	-	-	-	-	4,177	-	-	-	-
Philippine Republic	1,765	1,820	2,645	2,721	-	8.9	10.1	11.3	10.4	-	15,715	18,340	29,840	28,420	29,920
Estimated total 6/	34,590	39,480	38,930	41,240	40,980	-	-	-	-	-	620,000	665,000	675,000	735,000	700,000

AFRICA															
Belgian Congo	5/ 179	670	828	-	-	5/ 19.6	17.9	14.7	-	-	3,500	12,000	12,210	-	-
Kenya 8/	103	136	154	145	-	30.3	24.9	29.2	27.6	-	3,121	3,393	4,500	4,000	-
Basutoland	350	350	-	-	-	8.1	6.8	-	-	-	2,822	2,368	-	-	-
Egypt	1,599	1,699	1,720	1,770	2,100	39.5	33.4	32.6	33.5	34.5	63,229	56,696	56,000	59,300	72,500
French Morocco	1,112	1,260	1,245	1,165	1,254	7.6	8.0	6.8	9.8	8.8	8,505	10,074	8,500	11,400	11,000
French West Africa	5/ 1,732	-	1,523	1,516	-	5/ 12.4	-	8.7	8.7	-	5/ 21,473	-	13,240	13,200	-
Madagascar	260	214	220	-	-	15.3	11.6	14.1	-	-	3,969	2,472	3,100	-	-
Angola	1,435	-	-	-	-	9.0	-	-	-	-	12,859	12,900	-	-	-
Southern Rhodesia 8/	268	293	361	390	-	22.1	18.1	24.4	23.1	-	5,923	5,298	8,800	9,000	-
Union of South Africa	6,989	7,106	6,510	7,500	-	11.5	12.2	11.3	15.9	-	80,132	86,699	73,390	118,900	-
Estimated total 6/	18,200	19,260	19,810	20,760	20,660	-	-	-	-	-	255,000	265,000	260,000	315,000	310,000
SOUTH AMERICA															
Argentina	10,775	5,363	3,536	6,005	-	28.0	28.9	22.7	22.5	-	301,986	155,012	80,310	135,000	210,000
Brazil	10,025	10,866	11,740	12,125	12,500	21.5	20.7	19.8	19.2	19.2	215,153	224,400	233,000	232,500	240,000
Chile	110	115	150	126	-	22.7	22.5	23.3	28.2	-	2,496	2,589	3,500	3,550	-
Colombia	5/ 1,360	1,654	1,898	2,086	2,086	5/ 15.1	15.4	17.5	17.5	18.9	19,511	25,429	33,270	36,530	39,400
Uruguay	425	395	641	725	-	12.2	10.1	7.2	11.9	-	5,188	3,997	4,610	8,630	-
Estimated total 6/	24,930	20,840	20,500	23,480	24,840	-	-	-	-	-	575,000	450,000	390,000	455,000	540,000
OCEANIA															
Australia	314	222	170	142	173	22.4	26.6	23.6	29.2	-	7,030	5,899	4,020	4,150	-
New Zealand	7	7	6	6	-	45.4	55.6	63.3	58.3	-	318	389	380	350	-
Estimated total 6/	325	235	180	150	180	-	-	-	-	-	7,430	6,370	4,480	4,580	5,000
Estimated world total 6/	221,060	213,720	213,170	218,930	221,190	-	-	-	-	-	4,760,000	5,275,000	5,280,000	5,625,000	5,715,000

1/ Years shown refer to years of harvest in the Northern Hemisphere. Harvests of Northern Hemisphere countries are combined with those of the Southern Hemisphere which follow; thus the crop harvested in the Northern Hemisphere in 1953 is combined with preliminary forecasts for the Southern Hemisphere harvest which begins early in 1954. 2/ Figures refer to harvested area as far as possible. 3/ Yield per acre calculated from acreage and production data shown, except for incomplete periods. 4/ Revised estimates for Northern Hemisphere countries; for the Southern Hemisphere, revised preliminary forecasts. 5/ Average of less than 5 years. 6/ Estimated totals, which in the case of production are rounded to millions, include allowances for any missing data for countries shown and for other producing countries not shown. 7/ Figures for the period shown are not strictly comparable since figures for 1951-53 include estimates for non-reporting areas, which were not included with earlier figures shown, but allowances were included in estimated total for Asia.
8/ Production on European holdings only. Allowances for native cultivation, not shown, are included in estimated total for Africa.

Foreign Agricultural Service. Prepared or estimated on the basis of official statistics of foreign governments, reports of United States Foreign Service officers, results of office research, or other information. Prewar estimates for countries having changed boundaries have been adjusted to conform to present boundaries.

The harvest which begins about April in that important producing Southern Hemisphere country is expected to be well above average if conditions continue favorable. Present prospects indicate a smaller outturn than in 1952-53, however.

The corn harvest in South America takes place generally about the same time as in the Union of South Africa, and only tentative allowances are possible this early in the season. The outlook is now more favorable than it was earlier in the season, and a crop of around 210 million bushels in Argentina is expected if conditions continue favorable. This is considerably above the small crops of the past 5 seasons. It is, however, still substantially below the prewar average of 302 million bushels. The corn crop for Brazil, the other important corn producer of the area, is estimated to be slightly above the previous harvest and also above the prewar average.

Corn is of minor importance in Australia, with the prewar average only 7 million bushels. Production this season is expected to be less than that average, largely because of reduced acreage.

This is one of a series of regularly scheduled reports on world agricultural production approved by the Foreign Agricultural Service Committee on Foreign Crop and Livestock Statistics. It is based in part upon U.S. Foreign Service reports.

FINLAND'S RAPESEED OIL OUTPUT UP

Finland's production of turnip-rapeseed oil from the 1953 crop is expected to amount to 8,250 short tons or about 25 percent more than in 1952-53, reports the American Legation, Helsinki. The 1952-53 domestic oil output was, for the first time, an important factor in margarine manufacture, providing about 25 percent of all edible vegetable and fish oils used in Finland.

A part of the 1953 turnip-rapeseed crop of 22,000 tons has been exported, chiefly to Sweden, presumably in exchange for cheaper types of vegetable oils. Part of the margarine oil requirements are also being covered by oil extracted domestically from soybeans imported from China under Finland's first bilateral trade agreement with that country. Other imports will consist of coconut oil, whale oil and olive oil to bring the supply up to about 24,000 tons.

Margarine continues to be rationed at variably 250 grams or 500 grams per person per month, depending on supplies of butter. Derationing is not considered possible, since sales must be controlled because of a Government price subsidy to the industry.

Stocks of vegetable oils have been relatively small in the past months, those of imported oils totaling only about 1,000 tons and domestic oils about 1,500 tons, before the new crop was processed.

INDONESIA'S COPRA OUTPUT
UP, EXPORTS DOWN

Production of copra in Indonesia, as measured in terms of Copra Foundation purchases, totaled 454,060 long tons (revised) in 1953, or nearly 20 percent more than the comparable 1952 output of 379,500 tons, reports H.V. Geib, Agricultural Attache, American Embassy, Djakarta. On a monthly basis, the 1953 output averaged 37,840 tons against 31,620 tons in the preceding year. The total amount of copra produced in Indonesia is considerably greater than the amount purchased by the Copra Foundation. However, data are available for only the Foundation purchases and these usually are referred to as "copra production."

Delivery of copra by the Foundation to oil mills in Indonesia during 1953 totaled 193,640 tons (revised) against 133,580 tons in 1952. Data on the exact amount of coconut oil produced are not available, but present production by some 100 mills in Indonesia is roughly estimated at 300,000 to 350,000 tons. All coconut oil produced in Indonesia is consumed domestically.

Copra exports by the Foundation in 1953 amounted to 236,320 tons (revised), or an average of 19,693 tons per month. This compares with total exports in 1952 of 282,316 tons, about 3,800 tons per month more than the 1953 average. The Netherlands was the principal importer in 1953 taking about 35 percent of the total. Western Germany took nearly as much, or 34 percent. The remaining volume went mainly to Sweden, Norway, Japan, and France. December 1953 exports, totaling 18,069 tons, went to Western Germany--5,871, the Netherlands--5,561, Sweden--3,098, Japan--2,165, Norway--1,049 and Hungary--325 tons.

Data concerning total exports of copra from Indonesia, including that exported by private firms as well as the Copra Foundation, is supplied by the Central Statistical Office (CSO) but are available only for the first 11 months of 1953. During this period 269,274 tons of copra were exported of which 218,115 tons were handled by the Copra Foundation and the balance, or about 19 percent, by private firms. Total exports recorded by CSO in 1952 were 338,217 tons.

While exports of copra during 1953 were considerably below those of 1952, and only about three-fifths as large as in 1951, the rate of export increased greatly after the middle of the year.

To encourage exports, the reduction of the extra export duty on copra from 15 to 10 percent was extended throughout 1953. On December 7, 1953, a new decree ordered the reduction extended until June 30, 1954. Besides the 10 percent duty, copra exports also are assessed a general tax amounting to 8 percent and an additional 1 percent administrative tax.

The export price of copra was about the same at the end of the year as at the beginning, but the demand was much stronger. Wholesale prices of 95 percent dry copra, Djakarta market, stood at 210-225 rupiahs per 100 kilograms ($187-$200 per long ton) on January 1, 1953. The price immediately started to advance, and reached the yearly high of 285 rupiahs ($254) during April. The price then started a decline which reached the lowest point--172 rupiahs ($153)--during October, after which there was a slight advance which carried the price to 200-205 ($178-$183) during November and December.

INDONESIA'S PALM OIL, PALM KERNEL
OUTPUT ABOVE 1952 LEVEL

Indonesia's palm oil and palm kernel production in the first 9 months of 1953 of 131,000 and 34,580 tons, respectively, represents an increase in both commodities of about 9 percent from the average monthly outturn of 1952, reports H.V. Geib, Agricultural Attache, American Embassy, Djakarta. In 1952 Indonesia produced 160,900 tons of palm oil and 42,450 tons of palm kernels. The 1953 increase in production over previous years was due principally to increased plantings, although favorable weather was also an influencing factor.

Palm oil exports during January-October 1953 totaled 109,112 tons, an average of 10,911 tons per month. During calendar year 1952 exports amounted to 132,491 tons, or a monthly average of 11,041 tons. The 1953 exports, therefore, were only slightly less per month than in the year before. As in 1952, the Netherlands with 87,821 tons, or 80 percent of the 1953 exports, took by far the greater quantity. Palm kernel exports in 10 months 1953 of 37,987 tons represents an average monthly increase of about 10 percent from total 1952 exports of 40,975 tons. The decree exempting palm oil and palm kernels from the extra export duty was extended to include all of 1953. On December 5, 1953, a new decree extended the exemption through 1954.

Stocks of palm oil on estates on September 30, 1953, amounted to 10,860 tons. This compares with 6,790 tons a year earlier and with 3,300 tons in January 1952. There has been an almost continuous rise in stocks of palm oil during the past 2 years, production continuing greater than combined domestic and export demand. Stocks of palm kernels on estates on September 30, 1953, were about 3,000 tons, or slightly below stocks a year earlier.

Export prices of palm oil during the first 10 months of 1953 averaged 2,473 rupiahs per metric ton ($197 per short ton) ranging from a high of 2,964 rupiahs ($236) in May to a low of 2,069 rupiahs ($165) in September. The average export price in October was up slightly to 2,083 rupiahs ($166). The average export price of palm kernels during the same 10-month period was 1,604 rupiahs per metric ton ($127 per short ton), an increase of 166 rupiahs per ton ($13) from the average 1952 price of 1,438 rupiahs ($114).

U.K. DECONTROL OF FATS EFFECTIVE MAY 8, 1954

The United Kingdom announced on January 25, 1954, the decontrol of butter, margarine, cooking fat and cheese, effective May 8, 1954, after 14 years of Government regulation. The trade will then revert to private operation, supplies will be derationed, prices freed and brand names will return.

According to London sources, the prospective market for United States fats and oils in the United Kingdom after decontrol is contingent upon certain prevailing conditions. Existing contracts with West Africa Territories, Malaya, and other countries will continue for the next year and a half to 2 years with the Ministry of Food doing the buying. During this period purchases from other sources necessarily will be limited.

Also, the traditional pattern of fat and oil imports, except for lard, is to buy from non-dollar sources. However, the postwar pattern of trade has changed to a large extent. For example, India is no longer a large peanut exporter whereas the United States has large supplies of linseed and soybeans compared with prewar.

Therefore, assuming liberalized free trade as is the case now for soybeans and linseed, the determining factor will be the competitive position of different United States oils and fats. Aside from lard, the most likely prospects for shipment to the United Kingdom are for soybeans, linseed, cottonseed oil and tallow. If United States prices are competitive, supplies will be imported. However, other United Kingdom oilseed suppliers will probably adjust prices and not allow United States supplies to displace theirs in this traditional market. What is displaced may find a market on the Continent. In any case, there may be room for slightly greater imports under decontrol.

Decontrol will result in a drop of fats and oils stocks. As in the case of other commodities, the trade will be unable to finance the large stocks that the Ministry carried. It will not receive bulk shipments under long term contracts and it is bearish in its market outlook. In fact, the Ministry is already liquidating much of its stocks in anticipation of decontrol. Such liquidation will, of course, affect import requirements which will be reduced although this depends to some extent on the level of consumption after decontrol.

When derationing occurs there may be a slight increase of consumption but it is not expected to be large since the level of margarine and cooking fat consumption in the last year has been sufficient to meet consumer demand. In fact some rations have not been taken up.

NETHERLANDS PORK PRODUCTION AND EXPORTS

A moderate decline in pork production in 1954 but continued large pork exports from the Netherlands are indicated on the basis of the latest reports on the livestock situation.

Pork production has increased substantially since World War II and set a new peak in 1953. During the first 11 months of the year hog slaughter in the largest commercial plants was 19 percent greater than a year earlier, and totaled more than 3 times larger than in 1948. Pork output in 1952 was estimated at 596 million pounds, 2 percent greater than a year earlier and was 10 percent greater than in 1950. On the basis of hog numbers and breeding intentions a moderate reduction in hog slaughter for the year 1954 is now indicated.

Pork production and exports of pork products from the Netherlands, 1948-53

Item	1948	1949	1950	1951	1952	1953
	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds	1,000 Pounds
Pork production	209,000	361,000	544,000	583,000	596,000	700,000
Exports 1/						
Bacon to United Kingdom			46,570	77,403	83,506	71,665
Processed and canned meat products 2/						
Europe			58,501	97,009	99,081	65,541
Asia			5,040	3,216	2,306	2,901
Africa			1,014	1,303	1,607	1,806
America			9,370	23,444	28,384	46,389
Australia			2	-	9	29
Total processed and canned			73,927	124,973	131,387	116,666
United States Imports from the Netherlands 3/						
Hams, bacon and shoulders	185	515	5,945	5,896	19,939	4/32,204

1/ Netherlands Control Board for Livestock and Meats.
2/ Luncheon meats, sausages, canned hams, etc., gross weight.
3/ Mostly canned hams; U. S. Bureau of the Census. Included in Netherlands exports of processed and canned products.
4/ January-November.

The Netherlands has recently signed a contract with the United Kingdom agreeing to deliver 61.8 million pounds of bacon in 1954 at specified prices. Last fall the Netherlands agreed to deliver 16.5 million pounds pending the negotiation of a new contract. However, delivery of this additional amount was not begun until December, because of the slowness in filling the 1953 contract. Thus the total 1954 contract, for delivery between December 6, 1953-December 31, 1954, totals 78.3 million pounds, or about the same as the 1953 contract (plus additions) of 79.4 million pounds. The 1953 contract was not quite filled.

In addition to the large shipments of bacon under the United Kingdom contract, large quantities of other pork products were sent to the United Kingdom and other countries. Exports of canned and processed meats in 1953 totaled 117 million pounds, a decrease of 11 percent from 1952. Smaller exports to United Kingdom reduced the total to Europe compared with a year earlier, but larger shipments were made to the United States and other countries in the Western Hemisphere.

United States imports of hams from the Netherlands have increased sharply in the past 6 years. Entries of hams, bacon and shoulders (mostly canned hams) totaled 32 million pounds in the first 11 months of 1953 compared with 20 million during all of 1953 and 6 million pounds in 1952. These relatively large shipments of Dutch hams to the United States are expected to continue.

ARGENTINE WOOL
SALES SLOW

Argentine wool exports were small during December. Following the re-imposition of the 8 percent sales tax, growers have been reluctant to sell. They evidently hope for some improvement to the market or else for a new exemption from the tax. There have been substantial sales to Japan but relatively little trade with the United Kingdom and the United States. It is reported in the trade that the U.S.S.R. has made no wool purchases of importance as yet under its trade agreement with Argentina.

The domestic Argentine woolen industry has bought very little wool during the last few weeks. Manufacturers anticipate serious losses because of the rollback in cloth prices to the November 1952 level which was ordered in December. Export prices are slightly higher than at the end of November, but domestic prices have declined because of the collection of the 8 percent sales tax mentioned above.

JAPAN PLANS TO CUT
GRAIN IMPORT SUBSIDY

The Japanese fiscal 1954 budget (April to March) will provide 9 billion yen ($2,500,000) to cover subsidies on imports of wheat, barley and rice. This is a reduction from the 30 billion yen ($8,333,000) in the 1953 budget. The saving results from lower estimates of the amounts of rice to be imported and from the decline in world prices of all grains. A further contributing factor to the reduction is the increase in the domestic rice ration price to the consumer from 68 yen to 76.5 per kilogram (8.6-9.6 cents a pound).

For the coming fiscal year the import costs of both rice and barley will require subsidies amounting to about 14.4 billion yen ($4,000,000), of which about 9.2 billion ($2,556,000) will be for rice. As a partial offset, a profit is expected to accrue to the Government of 5.4 billion yen ($1,500,000) from sales of imported wheat so that of the 14.4 billion yen total, only about 9 billion ($2,500,000) will be required from the new budget for the subsidies on rice and barley.

CUBAN RICE IMPORTS HIGH
DESPITE RECORD CROP

Cuba's rice harvest in 1953-54 will probably supply a substantially larger amount of domestic requirements than was the case in the preceding year, according to the American Embassy. Despite the production of a record crop, however, rice imports are expected to exceed those of 1952-53.

Arrivals of United States rice in Cuba for the period August 1, 1953, through January 28, 1954, were reported as 3,460,000 bags as compared with 2,534,000 for the comparable period last season. Of these arrivals, an appreciable amount has already moved into consumption channels.

The Cuban Government on July 1, 1953, in Decree No. 1778, officially set 471 million pounds as the preliminary low-duty quota for 1953-54 (July-June). Rice stocks as of that date were officially reported as 85 million pounds as compared with 100 million pounds on July 1, 1952.

After the beginning of the rice-quota year on July 1, 1953, the price of $17.26 per 100 pounds for Cuban-grown Rexora, 4 percent broken, declined by September to $12.82 per 100 pounds. Prices of United States grown Rexora, 4 percent broken, c.i.f. Habana, were $15.88 per 100 pounds on July 1 and $11.64 on October 23.

The rice acreage in Cuba for the 1953-54 year is presently estimated to be 209,000 acres. This estimate, if correct, indicates an increase of some 53,000 acres over that of the preceding year and would be more than 4 times as large as the plantings immediately prior to World War II. The war years, with world rice shortages and a rising level of rice prices, encouraged the development of new rice acreages in Cuba, and successively since 1949-50 record acreages have resulted.

If the estimates on acreages devoted to the 1953 crop prove accurate, and if the resultant yield is equal to that obtained in the 2 preceding seasons, a production of 375 million pounds of rough rice will result. The actual production of the 1952 crop was 277 million pounds as compared with only 43 million in the prewar period (1935-1940). In terms of milled rice, present estimates if confirmed would indicate a production in 1953 of 245 million pounds. Of this amount about 45 million will be consumed on farms and for seed purposes, leaving about 200 million pounds to move into domestic consumption channels.

Expansion of rice production in Cuba may be expected to continue, although the rate may not be as great as in the past several years. These developments will largely depend upon continuing high prices of rice in the United States and the status of the Cuban sugar industry. If rice prices tend to slacken, then some of the pressures which have led to expansion of domestic production will lessen and the rate of annual increase will diminish.

COTTON PRODUCTION IN IRAN

Iran's 1953 cotton production, estimated at nearly 200,000 bales (of 500 pounds gross) was the largest in its history, according to Henry C. Lint, U. S. Agricultural Attache in that country. There was a 10-percent increase in acreage over 1952 and yields were up by 10 percent because of favorable growing conditions. Some local sources, however, believe this to be somewhat optimistic.

Labor costs are low in Iran and as long as the United States price holds at around 33 cents, or above, it will be profitable to grow cotton in Iran. Iran has already disposed of over 32,000 bales out of the year's exportable surplus of about 115,000 bales, and the position is favorable to exchange cotton with Japan and Germany for manufactured goods in view of clearing agreements with those countries.

It is estimated that present exports are about equal to the amount of cotton piece goods imported. In other words, local production of cotton textiles does not equal national requirements and further expansion is planned as new spindles are installed.

Since Iran is now making considerable progress in seed improvement and cultural practices, and since governmental clearing agreements facilitate foreign marketing of raw cotton, it would not be surprising, in the view of informed Iranians, if production doubled in the next 5 years--perhaps reaching as much as 450,000 bales.

JAPAN INCREASES SOYBEAN IMPORTS

A supplementary allocation of foreign exchange for purchase of 50,000 metric tons (1,837,167 bushels) of soybeans from the dollar area, announced December 28, brings to 403,900 tons (14,840,632 bushels) the volume of soybeans authorized for import during the 1953-54 fiscal year, reports the American Embassy, Tokyo. Under the budget for the first half of the year (April-September 1953) imports of 98,900 tons (3,633,916 bushels) were authorized, including 70,000 (2,572,033 bushels) from the United States, 17,000 (624,637 bushels) from Brazil, and 11,900 (437,246 bushels) from China.

Including the recent supplementary allocation, the second half budget (October 1953-March 1954) provides for imports of 305,000 tons (11,206,716 bushels), with 10,000 tons (367,433 bushels) scheduled from Brazil and the rest from the United States. It is understood that about 220,000 tons (8,083,533 bushels) of the second half allocation had been purchased by the end of December, leaving 85,000 tons (3,123,183 bushels) that had not been contracted.

This increase in imports of soybeans represents a change in planning on the part of the Government. When the budget for the second half of the fiscal year was drawn up last September, officials in the Ministry of Agriculture and Forestry hoped that it would not be necessary to import the entire 255,000 tons (9,369,550 bushels) authorized. This policy of restricting imports as much as possible was intended to protect domestic producers of oilseed crops. Like the 1953 rapeseed crop, the soybean harvest did not meet expectations, however, and the increased import requirement resulted.

Soybean imports in calendar 1953 reached a total of 448,000 metric tons (16,461,013 bushels), as compared with 167,000 tons (6,136,137 bushels) in calendar 1952. This increase is less significant than it appears, in that a substantial part of the 1953 arrivals came in the first quarter from heavy purchases in late 1952. Imports for the fiscal year 1952 (ending March 31, 1953) were 296,000 tons (10,876,027 bushels). For fiscal 1953 (ending March 31, 1954) imports will probably total about 415,000 tons (15,248,483 bushels).

A breakdown of import sources for October-December 1953 is not yet available. During the January-September period, the United States supplied 340,000 (12,492,733 bushels) of the 367,000 tons (13,484,803 bushels) arriving in Japan. China was the source of 24,000 tons (881,840 bushels), and small quantities came from Brazil, Hong Kong, and Thailand.

CANADA'S LARD OUTPUT DOWN, TALLOW UP IN 1953

Factory production of lard in Canada in 1953 was down 30 percent from 1952 while output of tallow increased by more than 10 percent, according to data available to the Foreign Agricultural Service. The 1953 production of certain oils and fats (comparable 1952 data in parentheses) was as follows: lard--46,866 short tons (67,124); edible tallow--12,619 (10,740); inedible tallow--48,537 (44,258); margarine--53,042 (52,796) shortening--67,854 (60,351); grease--4,304 (4,032); other animal fats and oils--5,327 (4,380); linseed--46,413 (37,442); soybean--45,285 (40,088); other vegetable oils--8,774 tons (22,228).

Manufacturers' stocks of both lard and tallow at the end of 1953 were substantially below those of a year earlier with the largest decrease in lard. On December 31, 1953, lard stocks were 2,247 tons, edible tallow 1,227 tons and inedible tallow 2,250 tons.

Consumption of oils and fats in both margarine and shortening in 1953 was up--43,086 and 68,362 tons, respectively, against 42,806 and 61,057 tons in 1952. In both products, significant increases in the use of palm, soybean, and marine oils were partly offset by a decline in the consumption of cottonseed oil. Coconut oil utilization was up some in shortening but decreased by nearly one-third in margarine. While practically no animal oils were used by the margarine industry in 1952 and 1953, animal oils made up about one-third of all fats and oils used in shortening manufacture.

CUBAN IMPORTS OF LARD AND TALLOW MAY EXPAND

Some increase is expected in the Cuban imports of both hog lard and inedible tallow and grease in the January-March quarter of this year, reports Agricultural Attache Guy L. Bush, American Embassy, Havana. The increase is not expected to be significant, however, unless prices of lard and tallow should drop to a point that would encourage the building of stocks. When the price of lard is relatively high in relation to olive oil--as was the case in the latter part of 1953--imports of olive oil tend to increase at the expense of lard. Olive oil, which is preferred, is used extensively in native dishes when it can be purchased at relatively low prices.

Imports of lard and rendered pork fat in 1953, totaling 135.2 million pounds, were the smallest in the last 4 years. The quantity imported represented a decline of nearly one-fourth from the record volume in 1952.

Table 1 - CUBA: Imports of lard and rendered pork fat, by quarters, 1950-53

(Million pounds)

Quarter	1950	1951	1952	1953
January-March	36.2	49.8	59.5	38.5
April-June	33.8	25.5	36.1	27.8
July-September	45.3	31.6	35.6	1/ 37.4
October-December	24.5	39.1	44.1	2/ 31.5
Total	139.8	146.0	175.3	135.2

1/ Revised. 2/ Preliminary.

Source: American Embassy, Havana.

In the October-December quarter of last year, Cuban lard imports came to only 31.5 million pounds. A reduction of nearly 30 percent from the corresponding period in 1952, this was the smallest fourth-quarter import volume since 1950.

Whereas stocks at the close of 1952 were heavy at all distribution levels, they were hardly adequate to supply the retail trade at the close of 1953. Thus, while the reduction in imports last year was sharp, it does not represent a comparable reduction in consumption. Some distributors estimate that the total reduction in stocks in 1953 was equivalent to about 10 percent of 1953 imports, or some 13 million pounds.

Wholesale prices of lard in Cuba in the last quarter of 1953 ranged from the ceiling of 30 cents per pound in October to 24.5 cents during the last half of November.

Inedible tallow and grease imports into Cuba in 1953 totaled 24.6 million pounds, the smallest volume since 1948. In the last quarter imports came to 4.7 million pounds. This was considerably less than the 7.8 million pounds imported in October-December of 1952, although equal to that of the last quarter of 1951.

Table 2 - CUBA: Imports of tallow (mainly inedible) and greases, by quarters, 1950-53

(Million pounds)

Quarter	1950	1951	1952	1953
January-March	8.0	8.8	6.2	1/ 8.1
April-June	5.6	14.6	9.3	1/ 4.7
July-September	9.7	6.2	4.9	1/ 7.1
October-December	8.7	4.7	7.8	2/ 4.7
Total	32.0	34.3	28.2	24.6

1/ Revised. 2/ Preliminary.

Source: American Embassy, Havana.

Industry representatives ascribe the reduction in tallow and grease imports to several factors. Chief among these are the increased use of synthetic detergents, reduced purchasing power, and the depletion of stocks.

BRAZIL'S COTTON EXPORT SALES DECLINING

Export sales of Brazilian cotton are reported to be falling off as supplies of the higher grades are nearing exhaustion, according to a report from Glenn A. Ruggles, Agricultural Officer, Sao Paulo. Exports during the last half of 1953, however, have been heavy, totaling 532,000 bales during August-December compared with the exceptionally low figure of 26,000 for a comparable period a year ago and an average of 259,000 for the previous 3 years. Exports in December reached 147,000 bales and the heavy movement may continue until cotton sold to date has been delivered.

BRAZIL: Cotton exports by countries of destination; averages 1935-39 and 1945-49; annual 1951 and 1952; August-December 1952 and 1953

(Equivalent bales of 500 pounds gross)

Country of destination	Year beginning August 1				August-December	
	Averages		1951	1952	1952	1953
	1935-39	1945-49				
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Canada	4.2	16.2	1/	2/	2/	11.7
Belgium	30.0	70.7	1/	0	0	30.3
Finland	2.3	10.2	14.5	0	0	0
France	89.5	64.1	47.4	4.2	1.0	50.1
Germany	285.6	.6	59.1	4.2	.2	100.9
Italy	39.3	110.5	2.8	0	0	51.5
Netherlands	33.3	43.3	1.1	0	0	6.9
Poland	17.2	49.2	2.6	0	0	0
Portugal	26.4	11.2	5.4	2.1	0	11.9
Spain	2.8	136.3	3.9	63.8	9.5	18.7
Sweden	5.2	48.5	3.7	.5	.2	15.5
United Kingdom	240.5	336.8	107.7	37.1	0	95.7
China	81.7	79.2	31.7	0	0	23.5
India	0	7.5	1/	0	0	0
Japan	241.7	.9	54.8	26.0	5.7	87.3
Chile	0	11.5	1.6	8.2	7.4	4.9
Colombia	.7	17.8	1/	0	0	0
Uruguay	0	7.2	1/	.7	.7	8.5
Australia	0	25.9	8.0	0	0	1.7
Other countries	11.7	68.5	3.1	1.2	1.1	13.0
Total	1,112.1	1,116.1	347.4	148.0	25.8	532.1

1/ If any, included in "Other countries." 2/ Less than 500 bales.

Source: Comercio Exterior do Brazil and U. S. Foreign Service reports.

The heavy export movement, almost entirely from government-owned stocks, began about the middle of 1953 following an adjustment of exchange rates and other government actions that resulted in a reduction in prices of Brazilian cotton below the prevailing world market level.

The cotton acquired during price-support operations in 1952 and 1953 by the Bank of Brazil and directly by the Brazilian Government amounted to 1,926,000 bales. At the end of 1953, this quantity had been reduced to about 760,000 bales and was expected to be down to around 450,000 by the end of April when the new South Brazil crop begins to reach the market in heavy volume. An earlier report showed that the 1,926,000 bales mentioned above included 1,082,000 bales of 1952-crop cotton (1951-52 crop in South Brazil and 1952-53 crop in the Northeast) acquired by the Bank of Brazil, 438,000 of which were still on hand December 14, 1953.

In 1953, government purchases made through the Production Financing Commission totaled 844,000 bales, including 574,000 in South Brazil and 270,000 in the Northeast area. On December 14, 1953, the quantities still on hand were 177,000 and 205,000 bales, respectively. Nearly all of the cotton from the Northeast will eventually be used by the domestic mill industry.

The sharp reduction in stocks and rumors of impending large sales of government cotton, especially types 6-1/2 and 7, have bolstered prices in the past month. There is a general expectation that the government will raise the 10.00 cruzeiro per U. S. dollar exchange bonus 1/ on cotton exports within the next year which would in effect further reduce the export price of cotton without reducing the returns to the Brazilian exporter in terms of Brazilian currency.

The official cotton estimates for the 1953-54 Sao Paulo crop are expected to show a 21-percent decline in the area planted to cotton in that State this season. However, conditions are good and the crop is expected to be no more than 15 percent under last season. A tentative estimate of 985,000 bales for all South Brazil was reported for 1953-54 compared with 1,160,000 a year ago. Reports continue pessimistic on the outturn of the 1953-54 North Brazil harvest. The trade reports the crop one of the smallest in several years and may not exceed 325,000 bales compared with 390,000 in 1952-53. The above figures indicate a preliminary 1953-54 estimate of 1,300,000 bales for all Brazil compared with a revised 1952-53 estimate of 1,550,000 bales.

JAPAN'S COTTON IMPORTS AND
TEXTILE EXPORTS REMAIN HIGH

Japan's November cotton imports, amounting to 201,000 bales (of 500 pounds gross), were 35,000 bales higher than those in October with Pakistani and Mexican cotton accounting for the bulk of the increase. Consumption by spinning mills in November, reported at 193,000 bales, was slightly above the October figure, and for the fourth consecutive month pure cotton yarn production set a new postwar high. The ratio of actually operated to operable spindles for November was 96.1 percent or an increase of 1.4 percent over the previous month's operating ratio. Likewise the operating ratio for looms increased to 88.4 percent in November from 86.8 percent in October.

Perhaps one of the most significant highlights in the Japanese textile field during the past calendar year was the fact that Japan has in all probability succeeded in exporting slightly more than 900 million square yards of textile piece goods. This was above the optimistic target of 850 million square yards which 1 year ago the Japanese textile industry predicted it would export during 1953.

1/ This makes the effective exchange rate 28.36 cruzeiros per U. S. $1.00, an increase of 54 percent.

Financially, Japan's 10 leading spinning companies have made a phenomenal recovery during the accounting period from April to September 1953. Improved domestic and export demand, paving the way for increased production and an increase in textile prices, made it possible for the Big Ten spinning companies to double their profits. The same companies were able to increase their volume of sales during this period by approximately 20 percent. Japanese cotton leaders hope that Japan will be able to export at least 900 million square yards in the coming calendar year, possibly more if sterling area import restrictions are moderated.

INDIA'S 1953 COTTON ESTIMATE REDUCED

The 1953-54 cotton crop in India is now estimated by private sources at about 3,500,000 bales (of 500 pounds) or about 150,000 lower than earlier estimates, according to a report from V. Krishnamurthy, American Consulate General, Bombay. Drought and insect infestation in some major-producing areas were given as principal causes for failure to reach earlier expectations. The above estimate, however, is still 525,000 bales above the 1952-53 estimate.

The latest statistical data available from official sources on mill consumption are for August 1953 when 309,000 bales (of 500 pounds) were consumed. Other sources estimate mill consumption during September-November at 310,000 to 320,000 bales monthly. An additional 220,000 bales annually are usually estimated for consumption by cottage industries. Consumption of imported cotton, estimated at 212,000 bales during August-November 1953, is well below the 270,000 bales consumed during a corresponding period a year ago but is 73,000 bales above imports during the 1953 period. Thus stocks of imported cotton were reduced by that amount.

Mill stocks of all cotton in India were down from 1,348,000 bales on August 31, 1952, to 1,029,000 a year later. Stocks of United States cotton dropped during that 12-month period from 230,000 to 35,000 bales. There were no compensating increases in stocks of American-type cotton from other sources except East African with an increase from 38,000 to 75,000 bales.

Prices of cotton on the Bombay spot market have risen sharply from 665 rupees 1/ per candy (17.84 cents a pound) for Jarila, Fine, on November 4, 1953, to 809 rupees (21.71 cents) on January 28, 1954. This rise in prices was attributed to heavy purchasing of cotton by mills, low mill stocks, increased domestic and export demand for medium and coarse goods manufactured primarily from Indian cotton, an impressive reduction in mill stocks of unsold cloth, and exaggerated reports of deterioration in the cotton crop due to unfavorable weather. Stocks of goods in Bombay mills at the end of December were down to less than one month's output.

During the textile crisis in the latter part of 1953 when stocks were high and sales were slow, the government took several measures to relieve the situation to which the trade responded readily.

1/ Excludes export tax equivalent to 10.74 U. S. cents.

Actions taken during October and November by the government to stimulate cloth sales and relieve increasing unemployment in the mills include (a) encouragement of exports by abolishing the 10 percent export duty on medium cloth and granting rebate of duty on imported cotton used to make cloth or yarn of 40 count or higher for export; (b) encouragement of domestic sales by lowering excise duty on superfine cloth; (c) discouragement of mill closures or shift reductions by promulgating emergency ordinance requiring owners to compensate workers for lay-offs; and (d) protection of cottage industry by levying penal fines on mills which exceed restricted quotas on production of dhotis.